

Entering and Paying Bills

Lesson 8

Lesson objectives

- To discuss the different ways you can handle bills in QuickBooks
- To learn how to enter a bill in QuickBooks
- To use the Pay Bills window to pay a bill in QuickBooks
- To learn how to enter a discount on a bill from a vendor

Using QuickBooks for accounts payable

To see the Accounts Payable register:

1. From the Lists menu, choose [Chart of Accounts](#).
2. Double-click Accounts Payable in the list to open the register.
3. Press Esc twice to close the open windows.

Entering bills

To enter a bill:

1. From the Vendors menu, choose **Enter Bills**.
2. In the Vendor field, type **Willis Advertising**, and then press Tab.
3. When QuickBooks displays a message telling you that Willis Advertising is not on the Vendor list, click **Quick Add**.
4. In the Amount Due field, type **1500**.
5. Click in the Bill Due field.
6. Click in the Account column on the Expenses tab and type **Printing**.

Entering bills

To enter a bill:

7. Press Tab to accept Printing and Reproduction as the account.
8. Type **1450** to change the amount from 1,500 to 1,450.
9. Click in the Account column below Printing and Reproduction.
10. From the drop-down list, choose **Freight & Delivery**, and then press Tab.
11. Click **Save & Close** to record the bill.

Paying bills

To pay a bill:

1. From the Vendors menu, choose **Pay Bills**.
2. Select the **To be printed** option.
3. Select the Willis Advertising bill by clicking in the column to the left of the bill.
4. Click **Pay Selected Bills**.
5. In the Payment Summary window, click **Done**.

How QuickBooks records your bill payment

To see the entry in the accounts payable register:

1. From the Company menu, choose **Chart of Accounts**.
2. In the chart of accounts, double-click the Accounts Payable account.
3. Close the accounts payable register.

How QuickBooks records your bill payment

To see the entry:

1. In the chart of accounts, double-click **Checking**.
2. Select the Willis Advertising transaction.
3. On the toolbar, click **Edit Transaction**.
4. From the Window menu, choose **Close All** to close all the open QuickBooks windows.
5. Click **Home** in the navigation bar to open the Home page.

Applying vendor discounts to bill payments

- To apply a discount for early payment:
1. On the Home page, click **Pay Bills**.
 2. In the “Due on or before” field, type **1/16/2016** and press Tab.
 3. From the Sort Bills By drop-down list, choose **Discount Date**.
 4. Click to put a checkmark next to the bill for Hamlin Metal with a due date of 1/10/2024.

Applying vendor discounts to bill payments

To apply a discount for early payment:

5. Click **Set Discount**.
6. From the Discount Account drop-down list, choose **Construction:Discounts given** to track the discount amount.
7. Click **Done**.
8. Click **Pay Selected Bills**.
9. In the Payment Summary window, click **Done**.



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**LESSON 8 Review questions
and activities**



Lesson 8: Review questions and activities

Review questions

- 1** You use the _____ account to track money that you owe to vendors.
- 2** List the two steps involved in using the accounts payable features in QuickBooks:
 - a** _____
 - b** _____
- 3** When you make a payment (from the checking account) in the Pay Bills window, you can see the transactions in the _____ and _____ registers.
- 4** True or false: When tracking accounts payable in QuickBooks, the Enter Bills window is the only place you can enter bills and vendor credits.
 - a** True
 - b** False
- 5** Which of the following tasks can you perform in the Pay Bills window?
 - a** Enter a partial payment on an outstanding bill
 - b** Make a payment using a credit card
 - c** Pay all outstanding bills
 - d** All of the above
- 6** You paid a vendor \$1,000.00 through the Pay Bills window (using the Checking account). QuickBooks automatically creates a journal entry that:
 - a** Deletes the bill.
 - b** Shows \$1,000.00 as a Credit in Accounts Payable and shows \$1,000 as a Debit in the Checking account.
 - c** Shows \$1,000.00 as a Debit in Accounts Payable and shows \$1,000 as a Credit in the Checking account.
 - d** Shows \$1,000.00 as a Debit in Accounts Payable and shows \$1,000 as a Credit in the Accounts Receivable.

Review activities

- 1** Write a check to a vendor, assigning the amount to more than one expense account.
- 2** Enter a bill in the Enter Bills window, and then view the bill transaction in the accounts payable register.
- 3** Pay the bill using the Pay Bills window.

Lesson 8: Entering and paying bills

Review questions

- 1** You use the *accounts payable* account to track money that you owe to vendors.
- 2** List the two steps involved in using the accounts payable features in QuickBooks:
 - a** *Enter bills*
 - b** *Pay bills*
- 3** When you make a payment (from the checking account) in the Pay Bills window, you can see the transactions in the *checking* and accounts payable registers.
- 4** True or false: When tracking accounts payable in QuickBooks, the Enter Bills window is the only place you can enter bills and vendor credits.
 - a** True
 - b** *False. You can also enter bills and vendor credits directly in the accounts payable register, which may allow for faster data entry.*
- 5** Which of the following tasks can you perform in the Pay Bills window?
 - a** Enter a partial payment on an outstanding bill
 - b** Make a payment using a credit card
 - c** Pay all outstanding bills
 - d** *All of the above*
- 6** You paid a vendor \$1,000.00 through the Pay Bills window (using the Checking account). QuickBooks automatically creates a journal entry that:
 - a** Deletes the bill
 - b** Shows \$1,000.00 as a Credit in Accounts Payable and shows \$1,000 as a Debit in the Checking account.
 - c** *Shows \$1,000.00 as a Debit in Accounts Payable and shows \$1,000 as a Credit in the Checking account.*
 - d** Shows \$1,000.00 as a Debit in Accounts Payable and shows \$1,000 as a Credit in the Accounts Receivable.